

THE RHODE ISLAND CONVENTION CENTER AUTHORITY FINANCE COMMITTEE

October 27, 2015

A meeting of the Audit and Budget Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on October 27, 2015, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, Committee Chairman, Jeff Hirsh, Commissioners Stan Israel and Paul MacDonald.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore and Pam Bacon, Rhode Island Convention Center and Dunkin' Donuts Center; Dan Schwartz the VETS and Bruce Leach, Legal Counsel.

Mr. Hirsh called the meeting to order at 10:05 AM. Mr. Hirsh asked for a motion to approve the minutes of the October 1st meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Israel it was unanimously

VOTED To approve the minutes of the October 1st meeting.

Mr. Hirsh thanked everyone for attending and announced that

Finance Committee meetings would be held on a regular basis going forward. He noted the inclusion of a proposed schedule in today's handout. Following a brief discussion on who is assigned to the committee and the schedule it was decided that the committee would meet on Tuesday, November 17th at 10:00 AM.

Mr. McCarvill announced that due to financial considerations, Ms. Sullivan's position had been eliminated and she was laid off. Mr. McCarvill stated that he and the staff would share the duties performed by Ms. Sullivan and said that he expects things to stay the same.

Mr. McCarvill began the financial statement review. Mr. McCarvill stated that the Convention Center's net income for the month of September was \$201,436 to budget and \$187,021 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$213,510 to budget and \$846,567 to the previous year. Mr. Buonanno asked why we are improving over last year. Discussion ensued regarding indirect expenses and overhead that have been reduced. Mr. McCarvill reported that last year's problem were caused by the lack of revenue. Questions arose regarding the financial statements. Mr. McCarvill said that a power point presentation would be prepared for the next meeting in order to more clearly explain how to read and interpret the statements. Mr. MacDonald said that a workshop on the financial statement would be helpful to everyone. Mr. McCarvill said that the suggestions will be

encouraged. He noted that some improvements have been made in an effort to make the document easier to read. Mr. McCarvill continued with the Income Statement for the Dunk. He said that for the month of September the Dunkin' Donuts Center's net income variance was \$54,902 to budget and (\$466,693) to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$241,076 to budget and (\$320,405) to the prior year. Mr. McCarvill stated that the Disney Show Frozen that was very successful last year is negatively affecting the variance to prior year. Mr. McCarvill stated that this year's Disney show was not very well attended and Disney has agreed to move the show to October next year which will be after schools are open and vacations are over. Mr. McCarvill reported that for the month of September the VETS net income variance was \$18,727 to budget and \$31,352 to the prior year. Mr. McCarvill said that year to date net income for the VETS was \$18,511 to budget and \$54,311 to the previous year. Mr. McCarvill reported that the VETS staff was also doing a good job controlling costs. Discussion ensued regarding the VETS financial reporting. Mr. Schwartz said that Judy from PPAC prepares the financial statements and she would be pleased to answer any questions. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of September was \$52,024 to budget and \$29,563 to the prior year. Year to date net income for the Authority was \$109,855 to budget and a variance of \$30,195 to the prior year. Mr. McCarvill said that consolidated net income variance for the month of September was \$327,089 to budget and (\$218,757) to the prior year. Consolidated net

income for the year was \$582,953 to budget and a variance of \$610,668 to the prior year. Mr. Buonanno asked if there is a budget for each event. Mr. McCarvill said that there is. Mr. Hirsh asked what the Family Fun Festival is all about. Mr. Lepore stated that it is an indoor carnival for young children with bouncy houses, etc. Mr. Lepore said it would be a better event for late afternoon or early evening on New Year's Eve. Mr. Hirsh said that it is nice to see that expenses are matching revenue. Mr. Buonanno said that a Finance Committee meeting is very important.

Mr. Lepore reported that he has interest from Hasbro to increase the number of parkers. Mr. Buonanno asked if we could accommodate more parking contracts. Mr. Leach explained the situation with parking and why there is a need to keep some spaces for transient parkers. Mr. Leach noted that it is all related to our tax exempt bonds. Mr. Hirsh asked about Omni Hotel parking. Mr. Lepore stated that the Omni has the entire bottom level about 240 spaces that they pay for even if they are not used. Mr. Lepore continued that if the hotel is a sellout they will ask for more spaces. Mr. McCarvill spoke about setting a special rate for Hasbro to attract their marketing division to Downtown Providence. A conversation took place regarding parking rates for special events. Mr. Lepore noted that the first lots that people encounter when getting off the highway will charge rates that are much higher than ours. Mr. MacDonald asked if Mr. Lepore had addressed the issue with the Parking Association. Mr. Lepore said that he has spoken with the Association but will do

so again. He stated that you can't mandate rates for private lots. Mr. Lepore voiced his concern about the new traffic pattern in the area. He stated that he has asked that the new lights not be operational and asked if some of the barrels could be removed.

Mr. Buonanno commented that November should be a good month because of ComicCon. Mr. Lepore said that we are prepared and have the potential to have great food and beverage numbers.

Mr. McCarvill noted that the discussion had included issues that were to be addressed in the Operations and Facilities meeting; therefore the meeting continued with discussion on the facilities operations.

Mr. Schwartz reported that the VETS had recently issued RFP's. He said that one was for painting of the 5th floor bathrooms. The work would be done in house using our own labor. A second RFP was advertised for the stage floor repair and replacement. Mr. Schwartz reported that the floor was also completed and looks great. An RFP was issued for heating, cooling and humidification of the room where the piano is stored. He said that a walkthrough will take place for prospective bidders. Mr. Schwartz reported that approval has been given to install the marquee that was no longer being used by PPAC.

Mr. Buonanno asked Mr. Schwartz if he had heard anything from Letitia Carter. Mr. Schwartz said that he had not but Mr. McCarvill reported that we had a letter indicating that she was finding it difficult

to attend meetings.

Mr. MacDonald returned to the conversation regarding parking. He noted that SMG is responsible for gathering rates from our parking competitors. Mr. Lepore stated that a review was recently completed and we have the lowest rates at this time.

Discussion ensued regarding ComicCon and Mr. Lepore stated that the team will work overnight for the set up. He said that we will be ready. Mr. Lepore reported that the Mall was scheduled to close a portion of their garage for renovations. He said that we have asked and they agreed to delay the closing until after this weekend.

Mr. Hirsh asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Buonanno and seconded by Mr. MacDonald it was unanimously

VOTED: To adjourn at 11:20 AM